

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

z4 TECHNOLOGIES, INC.

Plaintiff

v.

**1. MICROSOFT CORPORATION, and
2. AUTODESK, INC.**

Defendants.

6:06-cv-00258-LED

DEFENDANT MICROSOFT CORPORATION'S ANSWER

Defendant Microsoft Corporation ("Microsoft"), by and through its undersigned counsel, as and for its Answer to Plaintiff's Amended Complaint for Damages for Patent Infringement (the "Complaint") filed June 26, 2006, states as follows:

ANSWER

1. Microsoft lacks sufficient knowledge to admit or deny the allegations of paragraph 1 and therefore denies those allegations.
2. Microsoft admits the allegations of paragraph 2.
3. Microsoft lacks sufficient knowledge to admit or deny the allegations of paragraph 3 and therefore denies those allegations.
4. Microsoft admits the allegations of paragraph 4.
5. Microsoft admits the allegations of paragraph 5.
6. Microsoft admits that z4 brought suit against Microsoft and Autodesk for infringement of U.S. Patent No. 6,044,471 and U.S. Patent No. 6,785,825 in the matter of *z4 Technologies, Inc. v. Microsoft Corporation et al.*, Case No. 6:06-CV-142. Microsoft lacks

sufficient knowledge regarding the remaining allegations of paragraph 6 and therefore denies those allegations.

7. Microsoft admits the allegations of paragraph 7, but adds that it intends to appeal the jury's verdict and the Court's denial of Microsoft's post-trial motions, including Microsoft's motions for judgment as a matter of law and motion for new trial.

8. Microsoft admits that the Court entered an Order at Docket No. 394 in Case No. 6:06-CV-142.

9. Microsoft lacks sufficient knowledge to admit or deny the allegations of paragraph 9 and therefore denies those allegations.

DEMAND FOR RELIEF

10. Microsoft denies that z4 is entitled to any of the relief requested.

AFFIRMATIVE DEFENSES

11. Microsoft intends to appeal the jury's verdict and the Court's denial of Microsoft's post-trial motions, including Microsoft's motions for judgment as a matter of law and motion for new trial. Microsoft contends it did not infringe the patents-in-suit, that the asserted claims of the patents-in-suit are invalid, and that the patents-in-suit are unenforceable.

12. Microsoft further contends that the jury's verdict on damages, and the Court's order upholding that verdict, are not supported by the evidence. Microsoft further contends that the jury's verdict on damages includes damages on products that do not infringe the asserted claims of the patents-in-suit. Microsoft also contends that the jury's damages verdict, and the Court's upholding of that verdict, to the extent based on Microsoft sales outside of the United States, is improper.

JURY DEMAND

13. Microsoft demands a jury of all issues so triable.

Dated: August 25, 2006

Respectfully submitted,

By: /s/ Matthew C. Bernstein

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **DEFENDANT MICROSOFT CORPORATION'S ANSWER** was filed electronically in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rules CV-5(e), following counsel was served with a true and correct courtesy copy of the foregoing **DEFENDANT MICROSOFT CORPORATION'S ANSWER** by First Class Mail on August 25, 2006.

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Courtesy Copy

/s/ Matthew C. Bernstein

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